

TECHNICAL EDUCATION DEPARTMENT

The 25th/26th July, 1968

No. 4198-PWIII(I)-67/17661.—On appointment, Shri P. K. Gupta assumed charge of the post of Lecturer in Mech. Engg. at Government Polytechnic, Jhajjar with effect from 29th June, 1968 (F.N.).

The 26th/29th July, 1968

No. 4280-PWIII(I)-67/17803.—Shri Om Parkash Grover, Assistant Engineer, Class I (Junior) of the Haryana State Electricity Board, on deputation from the Haryana State Electricity Board, assumed charge of the post of Head of the Department in Electrical Engineering, at Government Polytechnic, Jhajjar, on 8th July, 1968 (F.N.).

P. N. BHALLA, Secy.

PLANNING DEPARTMENT

The 27th July, 1968

No. 41(5)-Pg.(H)68/17383.—The Governor of Haryana is pleased to appoint Shri K. C. Gupta, Officiating Economic and Statistical Adviser to Government, Haryana, as substantive permanent Economic and Statistical Adviser to Government, Haryana, in the scale of Rs 750—50—950/50—1,200, with effect from 7th November, 1966 against the post of Economic and Statistical Adviser declared permanent.—*vide* Planning Department Memo No. 41(I)-Pg. (H)-66/10881, dated the 2nd May, 1968.

M. L. BATRA,

Commissioner for Planning and Finance & Secy.

HARYANA SPORTS DEPARTMENT

The 27th July, 1968

No. 7818-EdI-Sports. 68/17241.—The Governor of Haryana is pleased to constitute Haryana State Sports Council and to nominate the following official and non-official members for a period of three years in the first instance :—

Chairman ... ... ... .. Minister for Sports

Members—

(a) Official—

1. Secretary to Government, Haryana, Education/Sports Departments.
2. Vice-Chancellor, Kurukshetra University.
3. Inspector-General of Police, Haryana.

(b) Non-official—

1. Shri Harpal Singh, M. L. A., Village and Post Office Tohana, district Hissar.
2. Shri Partap Singh, M. L. A., House No. 25/73, Model Town, Rohtak.
3. Shri K. C. Nayer, Laldee Industries (P) Ltd., Faridabad.
4. Ch. Maharaj Singh, Advocate, Ex-President, Zila Parishad, C/O Central Co-operative Bank, Ambala City.

Member Secretary—

5. Shri P. N. Sahni, I. A. S. (Member-Secretary), Director of Sports, Haryana.
6. (The chairman, if he so desires, may appoint an additional Secretary for Council and also Co-opt. additional members).
2. The Council will be an Advisory body and its main functions and powers will be :—
  - (i) to act as a liaison and co-ordinating agency between the State Government and the Sports Associations in the State;
  - (ii) to advise the State Government on all matters concerning Sports and games including financial and other assistance to the Sports Association and Organisation;
  - (iii) to set up such standing or *ad hoc* committee (s), as it may deem fit, connected with any of its activities;
  - (iv) to issue directives to the Associations in respect of general policy;
  - (v) to arrange for the audit of the accounts of the Associations receiving aid at their expense and approve their audited accounts;
  - (vi) to appoint nominees on the Committee (s) managing exhibition matches, tournament competitions on an international or inter-State or inter-regional basis or wherever deemed necessary;
  - (vii) to make such proposals to the State Associations with regard to amendments in their constitutions as in the opinion of the Council, the Association concerned should take up with the All-India Body;
  - (viii) to do all such other acts and things with the approval of the Government whether incidental to the powers aforesaid or not, as may be necessary in order to further its objectives.

3. The headquarters of the Council will be at Chandigarh and it will ordinarily meet at least twice a year at Chandigarh or at a place to be fixed by the Chairman. One-third members of the Council shall form the quorum for a meeting.

4. The members of the Council will be allowed to draw T. A./D. A. as under :—

- (a) The Legislators, in their *ex-officio* capacity, under the Punjab Legislative Assembly (Allowances of Members) Act, 1942 and the Rules made there under as in force at present or may be amended hereafter.
- (b) The Travelling allowance admissible to a Member of Parliament will be in respect of journeys performed by rail be the same as is *admissible* to the Members of the State Legislature appointed in an *ex-officio* capacity less one 1st Class Railway fare for journeys to and from.
- (c) Non-officials, other than M. L. As/M. Ps at one 1st Class Railway fare plus incidental allowance and road mileage as admissible to a 1st Grade Government employees drawing a pay of Rs. 1,000 and Rs. 9.00/11.25/13.50 in plains/Hills/Special Hill tracts as Daily Allowance. The other conditions laid down in the Punjab T. A. Rules for Government employees will also apply to the journeys performed by non-official members except where otherwise provided.
- (d) The expenditure on account of T. A. Bills of the Members of the Legislature would be paid by the Department concerned direct. The T. A. Bills of the M. L. A., will, however, continue to be counter-signed by the Secretary, Haryana Vidhan Sabha.
- (e) The Travelling Allowance for attending the meeting would be allowed to the Members from their permanent place of residence to the place of Meeting. If, however, a Member attends a Meeting from a place other than the place of permanent residence, the T. A. would be allowed to him either from the place of his residence or from where he attends the meeting whichever is less.
- (f) The T. A. and D. A. will be admissible to the non-official Member (other than M. L. A.s) on the production of a Certificate to the effect that no T. A. in respect of the journey or D. A. for the period mentioned in the bill has been or will be claimed by him/her from any other official source.

5. The expenditure will be met out of the Budget Head “?9—Misc—(T)(i)Sports—establishment of Sports Council-cum-grant-in-aid”. The Director Sports and Youth Programmes will act as Drawing and Disbursing Officer to the head of account to which the expenditure on account of T. A./D. A. of the Members is to be debited.

6. The official Members of the Council will, however, draw their T. A./D. A. from their respective office and the expenditure will be debited to the Head of Account from which they draw their salaries.

B. L. AHUJA, Secy.

P. W. D. PUBLIC HEATH BRANCH

The 30th July, 1968

appointed as temporary Assistant Engineer on *ad hoc* basis and in the purely temporary capacity,—*vide* Haryana Government notification No. 240-PWIII(2)-68/2558, dated the 27th January, 1968.

No. 4024-PWIII-(2) 68/17909.—The Governor of Haryana is pleased to accept with effect from 24th June, 1968, the resignation of Shri Raj Kumar Goel,

P. N. BHALLA, Secy.

HARYANA PUBLIC WORKS DEPARTMENT

BUILDINGS AND ROADS BRANCH

Gurgaon Circle P.W.D., B. and R. Branch

The 27th July, 1968

No. 28GA/50/52.—Whereas the Governor of Haryana is satisfied that land specified below is needed by Government, at public expense, for a public purpose, namely, for constructing Dahina Jatusana road in Gurgaon District. It is hereby declared that land described in the specification below is required for the above purpose.

This declaration is made under provision of section VI of the Land Acquisition Act, 1894, to all whom it may concern and under the provision of section 7 of the said Act, the Collector, Haryana P.W.D. B. and R. Branch, Ambala Cantt. or any other Special Collector authorised by the Colonization Officer-cum-Special Land Acquisition Officer, Haryana, is hereby directed to take orders for the acquisition of the said land.

Plans of the land may be inspected in the offices of the Land Acquisition Collector, Haryana, P.W.D. B. and R. Branch, Ambala Cantt. and the Executive Engineer, Gurgaon Provincial Division, Gurgaon during working hours.

## SPECIFICATION

Name of District	Name of Tehsil	Name of Village	Area in acres	REMARKS
Gurgaon	Rewari	Parkhotampur	11.185	As demarcated at site.
Do	Do	Mushepur	0.075	
Do	Do	Berli Kalan	17.15	
Do	Do	Motla Kalan	8.60	
Do	Do	Kahari	3.80	
Do	Do	Rampuri	7.42	
Do	Do	Dodoli	5.00	
Do	Do	Kanwali	14.52	
Do	Do	Dahina	7.15	
		Total	74.90	

No. 28-HA/63/G 53.—Whereas the Governor of Haryana is satisfied that land specified below is needed by Government, at public expense, for a public purpose, namely, for constg. an approach road from Menesar to village Kasan in Gurgaon District, it is hereby declared that the land described in the specification below is required for the above purpose.

The declaration is made under the provisions of section VI of the Land Acquisition Act 1894, to all whom it may concern and under the provisions of section 7 of the said Act, the Collector of Haryana, PWD, B&R Branch, Ambala Cantt. or any other Special Collector authorised by the Colonization Officer-cum-Special Land Acquisition Officer, Haryana is hereby directed to take orders for the acquisition of the said land.

Plans of the land may be inspected in the Offices of the Land Acquisition Collector, Haryana, PWD, B&R Branch, Ambala Cantt. and the Executive Engineer, Gurgaon Provl. Divn., Gurgaon during working hours.

## SPECIFICATION

Name of District	Name of Tehsil	Name of village	Area in acres	REMARKS
Gurgaon	Gurgaon	Manesar	2.75	
Do	Do	Khoh	2.57	
Do	Do	Kassan	5.41	
		Total	10.73	

No. 28 GA/50/54.—Whereas the Governor of Haryana is satisfied that land specified below is needed by Government, at public expense for a public purpose, namely, for constructing Kund Dahina Road (Sec. Kund to Mandola via Khol) in Gurgaon District, it is hereby declared that the land described in the specification below is required for the above purpose.

The declaration is made under provision of section 6 of the Land Aquistion Act, 1894, to all whom it may concern and under the provisions of section 7 of the said Act, the Collector, Haryana, P.W.D., B. and R., Branch, Ambala Cantt. or any other Special Collector authorized by the Colonization Officer-cum-special Land Acquisition Officer, Haryana is hereby directed to take orders for the acquisition of the said land.

Plans of the land may be inspected in the offices of the Land Acquisition Collector, Haryana P.W.D., B. and R. Branch, Ambala Cantt and the Executive Engineer, Gurgaon Provincial Division, Gurgaon during the working hours.

## SPECIFICATION

Name of District	Name of Tehsil	Name of village	Area in Acres	Remarks
Gurgaon	Rewari	Manithi	5.61	As demarcated at site.
Do	Do	Khol	3.21	
Do	Do	Mandola	1.257	
		Total	10.077	

T. S. LAMBA,

Superintending Engineer,  
Gurgaon Circle, Gurgaon.

## INDUSTRIES DEPARTMENT

The 26th July, 1968

No. 9463-2IB-68/16645.—In pursuance of sub-section (3) of section 38 of the State Financial Corporations Act, 1951, a report on the working of the Haryana Financial Corporation together with the Balance Sheet and profit and Loss Account with the Auditor's Report thereon for the year ended 31st of March, 1968, is published for general information.

## REPORT OF THE BOARD OF DIRECTORS

OF THE  
HARYANA FINANCIAL CORPORATION  
For the year ended the 31st March, 1968.

Under Section 36 of the State Financial Corporations Act, 1951

## ANNUAL ACCOUNTS

The Board of Directors present herewith the accounts for the year ended the 31st of March, 1968, together with their report on the working of Corporation during the year.

During the year 1967-68 the working of the Corporation has resulted in a net profit of Rs 15,91,957.00 which will rise to Rs. 15,92,027 after adding an amount of Rs. 70.19 being carried forward from the last year. The following appropriations have been made out of the profits in the balance sheet resulting in the available balance of Rs 2,41,157.00 :—

	Rs.
(i) To General Reserve Fund	12,214
(ii) To Special Reserve	3,18,413
(iii) To Gratuity Reserve	12,536
(iv) To bad and doubtful debts	3,02,305
(v) To Investment Reserve	402
Total	6,45,870
(vi) To Provision for Taxation	7,05,000
	13,50,870
Balance available	2,41,157
Grand Total	15,92,027

The Board of Directors have declared a dividend at the rate of 3 per cent per annum per share as guaranteed by the State Government in respect of 31,220 shares allocated to this Corporation on the reorganisation of the erstwhile Punjab Financial Corporation and a dividend at the rate of 5 per cent per annum per share for the period from 1st November, 1967 to 31st March, 1968 as guaranteed by the State Government on 6,878 shares recently issued by this Corporation subject, however, to the deduction of tax, as prescribed under the relevant Finance Act. A sum of Rs 2,36,951 will, thus, be utilised for the payment for guaranteed dividends leaving a surplus of profit amounting to Rs 4,206 for disposal in accordance with the provisions of section 35 of the State Financial Corporation Act. It is proposed that this amount be carried over to the next year. It is gratifying to note that the Corporation has earned adequate profits during the period under review to meet all its liabilities.

A statement showing figures of net profits and their appropriation is attached as Appendix 'A'.

#### AUDITORS

In accordance with the provision of Section 37 of the State Financial Corporations Act, 1951, the accounts of the Corporation for the year under review have been audited by the Auditors duly qualified under the law to act as auditors of companies, namely :—

1 Messrs Mehra Goel and Co., Chartered Accountants, 89, Industrial Area, Chandigarh.	Appointed by the State Government in consultation with the Comptroller and Auditor General of India.
2 Messrs Walker, Chandiok & Co., Chartered Accountants, 41-L, Connaught Circus, New Delhi.	Appointed by the Board of Directors under proviso to subsection (1) of section 37 of the State Financial Corporations Act, 1951 to represent the shareholders.

Messrs. Walkar, Chandiok and Co., retire at the end of the year but are eligible for re-election.

#### Establishment of the Haryana Financial Corporation

In terms of Section 69 of the Punjab Reorganisation Act, 1966, the Government of Punjab and the Government of Haryana requested the Central Government to reconstitute and reorganise the erstwhile Punjab Financial Corporation in such a way as to constitute separate State Financial Corporation for the State of Punjab and the State of Haryana. Consequently upon the decision of the two State Governments to have independent State Financial Corporations of their own, the Central Government decided to constitute two separate financial corporations known as Himachal Pradesh Financial Corporation for the Union Territory of Himachal Pradesh and Delhi Financial Corporation for the Union Territories of Delhi and Chandigarh.

The Central Government further directed the Board of Directors of the Punjab Financial Corporation to convene a general meeting of the shareholders for consideration of a scheme for the purpose of constituting three new Financial Corporations and for transferring of the assets, rights and liabilities pertaining to the operations of the existing Punjab Financial Corporation relating to the areas comprised in the State of Haryana, the areas comprised in the Union Territory of Himachal Pradesh and the areas comprised in the Union Territories of Delhi and Chandigarh, to the Haryana Financial Corporation, Himachal Pradesh Financial Corporation and the Delhi Financial Corporation respectively. Accordingly, the Board of Directors drew up a scheme which was adopted by them as also by the General meeting of the shareholders on the 7th of March, 1967, unanimously. The scheme was then sanctioned by the Central Government under section 69 of the Punjab Reorganisation Act, 1966 and three new Financial Corporations were born with effect from the 1st of April, 1967. The Haryana Financial Corporation was formally constituted by the State Government with their notification No. 3569-21B-67/5997, dated the 31st of March, 1967.

#### Board of Directors

In terms of the scheme for the Reorganisation of the erstwhile Punjab Financial Corporation approved by the Central Government, the Board of Directors of the Haryana Financial Corporation was constituted as follows :—

- (i) Three Directors to be nominated by the State Government of Haryana, one of whom shall be nominated as the Chairman.
- (ii) The Managing Director, to be appointed by the Haryana State Government.
- (iii) The remaining Directors, excepting the Directors nominated by the Government of Punjab and the Delhi, Himachal Pradesh and Chandigarh Administrations, whether nominated or elected on the existing Punjab Financial Corporation to continue for the unexpired period of their term of office.

In view of the above, the first Board of Directors of the Corporation comprised of the following :—

1. Shri B. S. Manchanda, I. A. S. <i>Chairman</i>	} ... Nominated by the State Government,
2. Shri P. N. Bhalla, I.A.S.	
3. Shri P. N. Sahni, I.A.S.	
4. Shri Bishamber Dass	... Nominated by the Reserve Bank of India.
5. Shri M. S. Nagratha	... Nominated by the Industrial Finance Corporation of India.
6. Shri Sita Ram Mohindroo	... Elected to represent Scheduled Banks.
7. Shri Surat Singh	... Elected to represent Co-operative Banks.
8. Shri A. C. Sehgal	... Elected to represent Insurance Companies, investment trusts and other financial institution (excluding Scheduled Banks and Co-operative Banks)
9. Shri Jishan Lal Kuthiala	... Elected by parties referred to in clause (d) of sub-section (3) of Section 4 of the State Financial Corporations Act, 1951
10. Shri S. R. Verma	... Managing Director—appointed by the State Government.

During the year some changes have taken place in the constitution of the Board of Directors. In terms of first proviso to section 10 read with section 11 (1) of the State Financial Corporation Act, 1951, the Haryana Government nominated Shri R. I. N. Ahooja, I. A. S., as a Director in place of Shri P. N. Bhalla, I. A. S., with effect from 26th October, 1967. In terms of aforesaid Section of the Act, the Industrial Finance Corporation of India nominated Shri P. S. Gurung its Chief Technical Officer, as a Director on the Board of the Haryana Financial Corporation vice Shri M. S. Nagratha, w.e.f. 28th September, 1967. In terms of Section 14 of the Act, Shri A. C. Sehgal, a Director representing the Insurance Companies, investment trusts and financial institutions (excluding Scheduled Banks and Co-operative Banks) resigned from the Directorship of the Corporation. At the first Special General meeting of the Corporation held on the 15th January, 1968, Shri S. P. Duggal, Divisional Manager, Life Insurance Corporation of India, Chandigarh, was elected as a Director to represent the Insurance Companies, investment trusts and other financial institutions (excluding Scheduled Banks and Co-operative Banks) under Section 10 (d) of the Act.

The Board place on record their appreciation of the services rendered by the outgoing Directors Sarvshri P. N. Bhalla, M. S. Nagratha and A. C. Sehgal.

The Board held seven meetings during the year under review.

#### Chairman of the Corporation

Shri B. S. Manchanda, I.A.S., was nominated as the first Chairman of the Board of Directors of the Haryana Financial Corporation by the State Government under Section 15 of the Act.

#### Executive and Advisory Committees

In terms of section 18 of the State Financial Corporations Act, 1951, the Executive Committee is constituted of Shri S. R. Verma, Managing Director, Sarvshri P. N. Sahni, Bishamber Das and S. P. Duggal. The Executive Committee held 11 meetings during the year under review.

The Advisory Committee also held 11 meetings during the year giving its advice regarding technical soundness and economic feasibility of the schemes. The Committee was reconstituted for a further period of two years w.e.f. 7th October, 1967.

#### Share Capital

On the reorganisation of the erstwhile Punjab Financial Corporation, this Corporation was allocated 31,220 shares as per details given below :—

		Number of shareholders in the class	Number of shares held
1. Haryana Government	..	1	13,005
2. Reserve Bank of India	..	1	6,245
3. Scheduled Banks	—	2	6,555

		Number of shareholders in the Class	Number of Shareholders
4. Co-operative Banks	..	9	1,015
5. Insurance Companies, Investment Trusts and other Financial Institutions (excluding Scheduled Banks and Co-operative Banks)	..	2	3,355
6. Parties referred to in clause (d) of sub-section (3) of Section 4 of the Act	..	43	1,045
		58	31,220

Immediately on the establishment of this Corporation, it was felt that the paid-up capital comprising of 31,220 shares of the value of Rs. 100.00 each was not adequate for the working of this Corporation. Accordingly, the State Government was approached to strengthen its capital base by fixing the authorised and paid-up capital of this Corporation at Rs. 1.00 crore each in terms of Section 4 of the State Financial Corporations Act, 1951. The proposal was agreed to by the State Government but the guaranteed dividend was fixed at 5% instead of 3% on the original issue.

In accordance with sub-section (3) of section 4 of the Act, the Government of Haryana with the approval of the Central Government, then, determined that 68,780 additional shares of the Corporation to be issued shall be distributed among various parties referred to there in as follows :

(a) State Government of Haryana	..	25,000 shares of the value of Rs. 25,00,000.00.
(b) Reserve Bank of India	..	..
(c) Scheduled bank, insurance companies (including the Life Insurance Corporation of India established under Section 3 of the Life Insurance Corporation of India Act, 1956), investment trusts, co-operative banks and other financial institutions including the Industrial Development Bank of India.	..	40,000 shares of the value of Rs. 40,00,000.00.
(d) Parties referred to in Clause (d) of sub-section (3) of Section 4 of the Act	..	3,780 shares of the value of Rs. 3,78,000.00.

The issue was opened for public subscription on the 16th of October, 1967 and was closed on the 23rd of October, 1967. However, in the case of the Industrial Development Bank of India, the last date for receipt of application had been fixed as the 30th of October, 1967.

The shares allotted to the State Government and Scheduled banks, insurance companies (including Life Insurance Corporation of India), investment trusts etc. including the Industrial Development Bank of India were fully subscribed. Owing, however, to very stringent money market conditions, the shares offered to individuals were subscribed only to the extent of 460. Under sub-section (5) of Section 4 of the State Financial Corporations Act, 1951, the number of shares remaining un subscribed viz. 3,320 were taken up by the State Government thus raising their participation in the share capital to 28,320 shares.

#### Distribution of shares

During the year under review, no transmission of shares took place. The position with regard to holding in the shares of the corporation by different categories of shareholders as on 31st of March, 1968 was as under:—

		Number of shareholders in the class	Number of shares held
1. Haryana Government	..	1	41,325
2. Reserve Bank of India	..	1	6,245
3. Scheduled Banks	..	8	25,105
4. Co-operative Banks	..	10	1,515
5. Insurance Companies (including the life Insurance Corporation of India established under section 3 of the Life Insurance Corporation of India Act, 1956), investment trusts, and other financial institutions including the Industrial Development Bank of India (excluding Scheduled Banks and Co-operative Banks)	..	4	24,705
6. Parties referred to in Clause (d) of sub-section (3) of Section 4 of the Act	..	47	1,505
		71	1,00,000

### Rate of Interest

The rate of interest charged on the loans given by Corporation is 3% above the bank rate with a minimum of 9% per annum.

### Review of Operations

During the year under review, the Corporation received 60 applications for the grant of loans totalling Rs. 2,44,75,000.00 in addition to 13 loan applications for Rs. 77,02,000.00 which were inherited from the erstwhile Punjab Financial Corporation on reorganisation on the 1st April, 1967. The applications received cover a variety of industries such as electric goods, cotton waste yarn, woollen yarn, textiles textile processing, steel re-rolling, steel forgings, cycle and cycle parts, plastic goods, machine tools, khangsari, chemicals, solvent oil, edible oil, cold storage, automobile parts, cycle tyres and tubes, ceramics, die-castings, canning and processing of vegetables and fruits, agriculture implements and pharmaceuticals, etc. etc.

The aforesaid 73 loan applications have been dealt with as under :—

	No. of applications	Amount
		Rs
1. Applications sanctioned	.. 29	1,15,40,000
2. Part amount rejected relating to 8 loan applications sanctioned	.. —	8,88,000
3. Applications rejected	.. 4	13,00,000
4. Applications lapsed/withdrawn	.. 12	60,80,000
5. Applications under consideration at the end of the year	.. 28	1,23,69,000

Industry-wise statements based on the International Standard Industrial Classification showing applications received, sanctioned, rejected, withdrawn or lapsed and the amount actually disbursed to the respective industries up to 31st March, 1967 and from 1st of April, 1967 to 31st of March, 1968, are separately given in appendix 'B' Part I and II.

Amountwise classification of loans sanctioned up to 31st March, 1968, is given in Appendix 'C'.

During the year under review, loans totalling Rs. 1,15,40,000 were sanctioned by the Corporation to 29 concerns and loans amounting to Rs. 1,13,60,500 were disbursed to 17 concerns.

The following statement will show at a glance the net results of the working of this Corporation up to the year ended on 31st March, 1968 :—

	Rs.
Loans sanctioned up to 31st March, 1968 to 279 concerns	.. 10,31,57,500.00
Less sanctions declined or cancelled	.. 1,81,01,850.00
Balance	.. 8,50,55,650.00
Total loans disbursed to 207 concerns	.. 6,46,75,650.00
Balance of loan commitment	.. 2,03,82,000.00
Total loans outstanding as on 31st March, 1968	.. 4,69,90,964.00

The figures above include the operational results of the erstwhile Punjab Financial Corporation up to the 31st March, 1967.

### Progress of Repayment

The total amount of interest due on the loans during the year under review was Rs. 28,32,015 out of which an amount of Rs. 22,24,867 was actually received, the amount in default being only Rs. 6,07,147. Further a sum of Rs. 11,56,625 accrued as interest on the total advances during the year under review but this actually falls due for payment after the 31st of March, 1968.

According to the schedules of repayment of principal the total amount due to the Corporation during the year under review was Rs. 41.63 lakhs out of which a sum of Rs. 29.71 lakhs was received. There had been some delay on the part of the loanee concerns for payment of principal and interest due to general recession prevailing in the industry. However efforts are being made to recover the amount in default by easy instalments from the defaulting loanee concerns.

Legal proceedings against one loanee concern were pending for recovery of the Corporation's dues at the close of the year under review. Besides, decrees have been obtained against three loanee concerns and the recoveries are being effected.

It will be highly satisfactory to note that no case is considered as doubtful of recovery.

#### Raising of Additional Capital

In terms of the Scheme for the Reorganisation of the erstwhile Punjab Financial Corporation, this Corporation inherited bonds of the value of Rs. 2,26,20,000. Out of these bonds, 43% Punjab Financial Corporation Bonds, 1968, of the face value of Rs. 57,74,000.00 fell due for repayment on the 1st of February, 1968. In order to redeem these bonds on the due date, the Corporation was obliged to go to the market with the issue of bonds of the face value of Rs. 55,00,000.00 during January, 1968. These bonds had a currency of twelve years, issue price being 99% and carried interest at 6% per annum. These bonds were fully subscribed but were entirely earmarked for the repayment of the previous bonds.

As already remarked, additional share capital of Rs. 68.78 lakhs was raised by the Corporation during the year under review but this amount was hardly adequate to meet the outstanding commitments. Approach had, therefore, to be made to the Industrial Development Bank of India for refinancing facilities and during the year under review the Corporation availed of finance to the extent of Rs. 38.16 lakhs. Except for this assistance by the Industrial Development Bank of India, the Corporation would not have been able to face the crisis which had developed due to slender cash resources available to the Corporation in spite of the fact that the share capital had been raised.

In order to augment the resources of the Corporation, the State Government have approved that the Corporation may accept deposits in terms of section 8 of the State Financial Corporations Act, 1951 to the extent of Rs. 1.00 crore on the rates of interest mentioned below:-

Period	For deposits upto and inclusive of Rs. 50,000.00	For deposits in excess of Rs. 50,000.00
12 months and over but less than 24 months	5%	5%
24 months and over but less than 36 months	6%	5%
36 months and over but less than 48 months	6%	5%
48 months and over but less than 60 months	6%	5%
60 months and over	6%	6%

These deposits are guaranteed as to the repayment of principal and interest at the rates specified above by the Government of Haryana and thus constitute a trustee security under the Indian Trusts Act and an approved security under the Insurance Act and Banking Companies (Regulation) Act.

The Corporation has not been able to attract any sizeable deposits because for amounts in excess of Rs. 50,000.00 the rates of interest allowed to the Corporation by the Reserve Bank of India are less than those allowed to commercial banks.

#### Routing of Agency Funds

In terms of section 25(i) (d) of the State Financial Corporations Act, 1951, the State Government have not yet appointed this Corporation as their agent for advancing loans to small-scale Industries under the State Aid to Industries Act with a view to encourage institutional industrial credit to small scale industrial units. The matter is still under the consideration of the State Government and it is hoped that it may be finalised in the course of the next year.

However, on the reorganisation of the erstwhile Punjab Financial Corporation, 47 Agency Loan Accounts with a debit balance of Rs. 13,83,818.03 were transferred to this Corporation.

Owing to recession, the defaults by these small loanee concerns are on the increase and efforts are being made to realize them without causing any undue hardship. Legal proceedings against 2 loanee concerns are pending for recovery of the dues at the close of the year under review. Besides, decrees have been obtained against 5 loanee concerns and the recovery is being effected.

#### Reserves

In terms of section 35 (1) of the State Financial Corporations Act, 1951, the Corporations are required to establish a Reserve Fund although the quantum of allocation thereto has not been prescribed. On the reorganisation of the erstwhile Punjab Financial Corporation, total Reserve Fund and other Reserves amounting to Rs. 8,55,413.93 were allocated to this Corporation as per details given below:-

	Rs.
General Reserve Fund under section 35 of the State Financial Corporations Act	12,786.13
Special Reserve under section 35A of the State Financial Corporations Act	2,24,784.00

Special Reserve for Purposes of Section 36(1) (viii) of the Income Tax Act	..	Rs 1,72,691.60
Reserve for bad and doubtful debts	..	4,30,086.72
Investment Reserve	..	27,598.48
Gratuity Reserve	..	37,464.00
		8,55,413.93

The Corporation has been able to earn adequate profits during the year 1967-68 and the Board of Directors have made the following appropriations with a view to strengthen the various Reserve Funds:—

General Reserve Fund	..	Rs. 12,214
Special Reserve for purpose of Section 36(1) (viii) of Income Tax Act	..	3,18,413
Gratuity Reserve	..	12,536
Reserve for bad and doubtful debts	..	3,02,305
Investment Reserve	..	402
Total	..	6,45,870

Under section 35A of the State Financial Corporations Act, 1951, the Financial Corporation may establish a Special Reserve Fund, to which shall be transferred such portion of the dividends accruing to the State Government and the Reserve Bank on the shares of the Financial Corporation as may be fixed by agreement between the State Government and the Reserve Bank provided that the total amount in the said fund shall at no time exceed ten per cent of the paid up share capital of the Financial Corporation.

In terms of the provisions of Section 35A *ibid* reproduced above, the Haryana Financial Corporation moved the State Government and the Reserve Bank of India to forego dividends amounting to Rs. 18,735.00 each payable annually on their share holdings in the corporation. The sanction of the State Government as well as of the Reserve Bank of India to forego an annual dividend of Rs. 18,735.00 has since been received.

To sum up the various Reserve Funds of the Corporation now stand as under:—

General Reserve Fund under Section 35 of the State Financial Corporations Act	..	Rs. 25,000
Special Reserve under Section 35A of the State Financial Corporations Act	..	2,24,784
Special Reserve for purposes of Section 36(1)(viii) of the Income-Tax Act	..	7,48,500
Reserve for bad and doubtful debts	..	4,25,000
Investment Reserve	..	28,000
Gratuity Reserve	..	50,000
Total	..	15,01,284

The total Reserves are, therefore, 15.01 per cent of the paid up capital of the Corporation which is quite satisfactory.

To the above amount will be added another amount of Rs. 37,470.00 as Special Reserve being the agreed portion of dividends accruing to the State Government and the Reserve Bank of India on the shares of the Corporation foregone by them to strengthen the reserves of the Corporation. No portion of these reserves can, however, be utilized by the Corporation without their special approval.

**General**

The Board takes this opportunity to place on record its appreciation of the co-operation and assistance received from the State Government, Reserve Bank of India, Industrial Development Bank of India, the State Bank of India, the Industrial Finance Corporation of India and other financial institutions. The Corporation has also received valuable guidance from the members of the Advisory Committee constituted by the Board. The Board would also like to place on record their keen appreciation of hard, honest and efficient work of Shri S. R. Varma, Managing Director, who has enabled the Corporation to achieve highly satisfactory results even during the first year of its operation.

In appreciation of the good results achieved by the Corporation, the Board has granted to the Officers and the staff of the Corporation an *ad hoc ex gratia* good performance reward equivalent to two months' pay.

By order of the Board,

**S. R. VARMA,**

Managing Director.

## APPENDIX "A"

## Statement Showing Figures of Net Profits and their Appropriations for the year ended the 31st March 1968

Year	Net Profit	Balance Transferred by Punjab Financial Corporation on re-organisation	Total	Transferred to Reserve Fund	Transferred to Special Reserve	Transferred to bad and doubtful Debt Reserve	Transferred to Investment Reserve	Transferred to Gratuity Reserve	Provision for taxation	Amount Available for guaranteed dividend	Balance carried over to the next year
1	2	3	4	5	6	7	8	9	10	11	12
Amount transferred by Punjab Financial Corporation on Re-organisation	..	..	..	12,786	4,30,087	1,22,695	27,598	37,464	..	..	..
1967-68	15,91,957	70	15,92,027	12,214	3,18,413	3,02,305	402	12,536	7,05,000	2,36,951	4,206

APPENDIX "B" (PART I)

Statement showing loan applications received, sanctioned, rejected, withdrawn, or lapsed and amount actually disbursed industry-wise  
 (based on International Standard Industrial Classification of all Economic Activities) by the Punjab Financial  
 Corporation in Haryana territory upto the year ended 31st of March, 1967

Serial No.	Type of Industry	No. of applica- tions received	Amount	No. of applica- tions sanctioned	Amount	No. of applica- tions rejected	Amount	No. of applica- tions withdrawn or lapsed	Amount	No. of applica- tions to whom loan disbursed	Amount
1	2	3	4	5	6	7	8	9	10	11	12
1	Stone, quarrying clay and sand pits	1	1,00,000	..	..	..	..	1	1,00,000	..	..
2	Food Manufacturing Industries	29	52,40,000	11	7,35,000	7	18,25,000	10	23,75,000	6	4,30,000
3	Cold Storage	16	29,40,000	8	8,70,000	5	12,50,000	3	5,56,000	7	7,90,000
4	Tobacco Manufacturing	1	7,50,000	..	..	..	..	1	7,50,000	..	..
5	Manufacturing of textile, spinning, Weaving and finishing of textile excluding hosiery and cotton ginning and pressing	23	16,57,000	11	69,75,000	4	5,75,000	4	48,15,000	11	32,80,500
6	Hosiery	..	..	..	..	..	..	..	..	..	..
7	Cotton Ginning and pressing	17	32,90,000	8	16,00,000	5	7,80,000	4	5,60,000	6	9,03,000
8	Manufacturing of footwear, other wearing apparel and made up textile goods	1	10,00,000	1	10,00,000	..	..	..	..	..	..
9	Manufacturing of wood and cork except manufacturing of furniture	6	18,05,000	2	6,90,000	1	30,000	3	10,75,000	1	90,000
10	Manufacturing of paper and paper products	14	52,46,000	10	37,61,000	2	6,50,000	2	5,60,000	10	25,60,500
11	Printing publishing and allied Industries	1	15,00,000	1	15,00,000	..	..	..	..	..	..
12	Manufacturing of rubber products	8	32,35,000	7	24,85,000	1	1,50,000	..	..	5	9,68,000

13	Manufacturing of chemicals and chemical products ..	27	83,78,500	12	47,40,000	6	8,41,500	7	12,22,000	10	20,91,500
14	Manufacturing of non-metallic mineral products except products of Petroleum and coal ..	28	59,90,000	18	34,60,000	6	5,55,000	4	18,50,000	17	30,77,500
15	Basic metal industries, Iron and Steel ..	33	1,29,96,150	23	1,04,36,000	4	7,30,000	5	7,20,000	19	62,12,800
16	Non-ferrous metal basic industries ..	6	24,00,000	1	75,000	..	..	5	22,00,000	..	..
17	Manufacturing of metal products except machinery and transport equipment ..	39	1,24,91,000	19	76,60,000	2	1,95,000	17	30,86,000	13	68,69,000
18	Manufacturing of machinery except electrical machinery ..	56	2,02,90,500	34	1,97,35,500	6	8,10,000	15	58,30,000	26	55,22,350
19	Manufacturing of electrical machinery, apparatus, appliances and supplies ..	13	80,30,000	6	59,00,000	1	4,50,000	5	13,50,000	1	7,62,000
20	Manufacturing and transport equipment ..	61	2,99,75,000	45	2,03,10,000	4	4,90,000	12	76,50,000	33	1,34,17,000
21	Miscellaneous manufacturing industries, viz., pencil, plastic, ice, sports goods, surgical Instruments and water, steam and electric city meters etc. ..	36	88,78,000	28	65,85,000	2	3,00,000	4	8,20,000	21	49,89,000
22	Hotel ..	1	5,25,000	1	5,00,000	..	..	..	..	1	5,00,000
23	Transport ..	1	3,00,000	..	..	1	3,00,000	..	..	..	..
24	Electricity gas and steam ..	5	21,00,000	4	16,00,000	..	..	1	2,00,000	3	8,50,000
	TOTAL ..	423	15,38,23,150	250	9,16,17,500	57	99,31,500	103	3,57,39,000	190	5,33,13,150

APPENDIX "B" (PART II)

Statement showing loan applications received, sanctioned, rejected, withdrawn, or lapsed and amount actually disbursed Industrywise  
(based on International Standard Industrial Classification of all Economic Activities) during the year ended 31st of March, 1968

Serial No.	Type of Industry	No. of applica- tions received	Amount	No. of applica- tions sanctioned	Amount	No. of applica- tions rejected	Amount	No. of applica- tions withdrawn or lapsed	Amount	No. of applica- tions to whom loan disbursed	Amount
1	2	3	4	5	6	7	8	9	10	11	12
1	Stone, quarrying clay and sand pits	..	Rs	..	Rs	..	Rs	..	Rs	..	Rs
2	Food Manufacturing Industries	2	15,27,000	1	1,30,000	..	..	1	7,00,000	..	..
3	Cold Storage	4	9,30,000	3	5,00,000	..	..	..	..	..	..
4	Tobacco Manufacturing	..	..	..	..	..	..	..	..	..	..
5	Manufacturing of textile, spinning, Weaving and finishing of textile excluding hosiery and cotton ginning and pressing	4	24,70,000	3	33,00,000	1	2,50,000	2	16,00,000	2	26,21,500
6	Hosiery	1	1,30,000	..	..	..	..	1	1,30,000	..	..
7	Cotton Ginning and pressing	1	..	..	..	..	..	..	..	..	..
8	Manufacturing of footwear other wearing apparel and made up textile goods	..	..	..	..	..	..	..	..	1	1,00,000
9	Manufacturing of wood and cork except manufacturing of furniture	..	..	..	..	..	..	..	..	..	..
10	Manufacturing of paper and paper products	3	7,08,000	2	5,40,000	..	..	..	..	1	4,66,000
11	Printing, publishing and allied Industries	..	..	..	..	..	..	..	..	..	..
12	Manufacturing of rubber products	4	17,10,000	1	3,60,000	..	..	..	..	..	*5,01,000

13	Manufacturing of chemicals and chemical products	10	60,50,000	5	18,90,000	1	2,00,000	1	15,00,000	2	10,79,000
14	Manufacturing of non-metallic mineral products except products of petroleum and coal	2	7,30,000	1	80,000	..	..	1	61,50,000	..	*55,500
15	Basic metal industries, Iron and Steel	4	5,00,000	2	2,75,000	1	6,50,000	1	1,50,000	..	*3,95,500
16	Non-ferrous metal basic industries	..	..	..	..	..	..	..	..	..	..
17	Manufacturing of metal products except machinery and transport equipment	4	11,65,000	1	7,00,000	..	2,00,000	1	1,65,000	1	3,23,000
18	Manufacturing of machinery except electrical machinery	8	14,40,000	1	2,00,000	1	..	3	11,00,000	2	8,29,500
19	Manufacturing of electrical machinery apparatus appliances and supplies	2	10,10,000	3	10,90,000	..	..	..	..	3	20,97,000
20	Manufacturing of transport equipment	4	27,00,000	1	3,00,000	..	..	..	..	4	24,94,000
21	Miscellaneous manufacturing industries viz., pencil plastic, ice, sports goods, surgical Instruments and water steam and electricity meters etc.	8	34,05,000	5	21,75,000	..	..	1	85,000	1	3,92,500
22	Hotels	..	..	..	..	..	..	..	..	..	..
23	Transport	..	..	..	..	..	..	..	..	..	..
24	Electricity gas and steam	..	..	..	..	..	..	..	..	..	..
	TOTAL	60	2,44,75,000	29	1,15,40,000	4	13,00,000	12	60,80,000	17	1,13,60,500

\*This represents the part amount disbursed in such cases which were sanctioned and disbursed loans in the previous years.

## APPENDIX C

Statement showing amountwise classification of loans sanctioned upto the 31st of March, 1968.

Serial No.	Range	Upto 31-3-1967		From 14-1-1967 to 31-3-1967	
		No. of applications sanctioned	Amount	No. of applications sanctioned	Amount
1	Loans not exceeding Rs 25,000	..	6	Rs. 1,20,000	..
2	Loans exceeding Rs 25,000 but not exceeding Rs 50,000	..	17	6,81,000	1 50,000
3	Loans exceeding Rs 50,000 but not exceeding Rs 1,00,000	..	60	50,26,000	5 4,70,000
4	Loans exceeding Rs 1,00,000 but not exceeding Rs 2,00,000	..	55	97,05,000	11 18,20,000
5	Loans exceeding Rs 2,00,000 but not exceeding Rs 5,00,000	..	56	2,04,20,500	5 21,00,000
6	Loans exceeding Rs 5,00,000 but not exceeding Rs 10,00,000	..	43	3,56,80,000	5 39,00,000
7	Loans exceeding Rs 10,00,000 but not exceeding Rs 20,00,000	..	13	1,99,75,000	2 32,00,000
Total		..	250	9,16,17,500	29 15,40,000